



The Instant 3-Stock Portfolio for Dividend-Growth Investors

Description

As Foolish investors know, dividend-paying stocks outperform non-dividend-paying stocks over the long term, and the top performers are those that raise their payouts every year. With these facts in mind, let's take a look at three stocks that you could buy today to form your instant three-stock dividend-growth portfolio.

1. TransCanada Corporation

TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#)) is one of North America's largest owners and operators of energy infrastructure assets, including natural gas and oil pipelines, power generation facilities, and natural gas storage facilities. It pays a quarterly dividend of \$0.565 per share, or \$2.26 per share annually, which gives its stock a yield of about 4.5% at today's levels.

It is also important to make two notes.

First, TransCanada has raised its annual dividend payment for 15 consecutive years, and its 8.7% hike in February has it on pace for 2016 to mark the 16th consecutive year with an increase.

Second, the company has an annual dividend-per-common-share growth target of 8-10% through 2020, making it one of the energy sector's top dividend-growth plays.

2. SNC-Lavalin Group Inc.

SNC-Lavalin Group Inc. (TSX:SNC) is one of the world's largest engineering and construction companies, and it is a major player in the ownership of infrastructure, including airports, bridges, highways, mass transit systems, and water treatment facilities. It pays a quarterly dividend of \$0.26 per share, or \$1.04 per share annually, which gives its stock a yield of about 2.25% at today's levels.

It is also important to make two notes.

First, SNC-Lavalin has raised its annual dividend payment for 15 consecutive years, and its 4% hike on March 3 has it on pace for 2016 to mark the 16th consecutive year with an increase.

Second, the company traditionally announces its dividend increases in its fourth-quarter earnings reports, so investors should look for its next increase around March 2017.

3. Plaza Retail REIT

Plaza Retail REIT ([TSX:PLZ.UN](#)) is one of the largest owners, developers, and managers of retail real estate in Canada with 302 properties in eight provinces. It pays a monthly distribution of \$0.02167 per share, or \$0.26 per share annually, which gives its stock a yield of about 5.6% at today's levels.

It is also important to make two notes.

First, Plaza has raised its annual distribution for 12 consecutive years, and its 4% hike that took effect in January has it on pace for 2016 to mark the 13th consecutive year with an increase.

Second, I think the company's consistent growth in funds from operations, including its 6.7% year-over-year increase to an adjusted \$0.318 per share in fiscal 2015, will allow its streak of annual dividend increases to continue going forward.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:ATRL (SNC-Lavalin Group)
3. TSX:PLZ.UN (Plaza Retail REIT)
4. TSX:TRP (TC Energy Corporation)

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